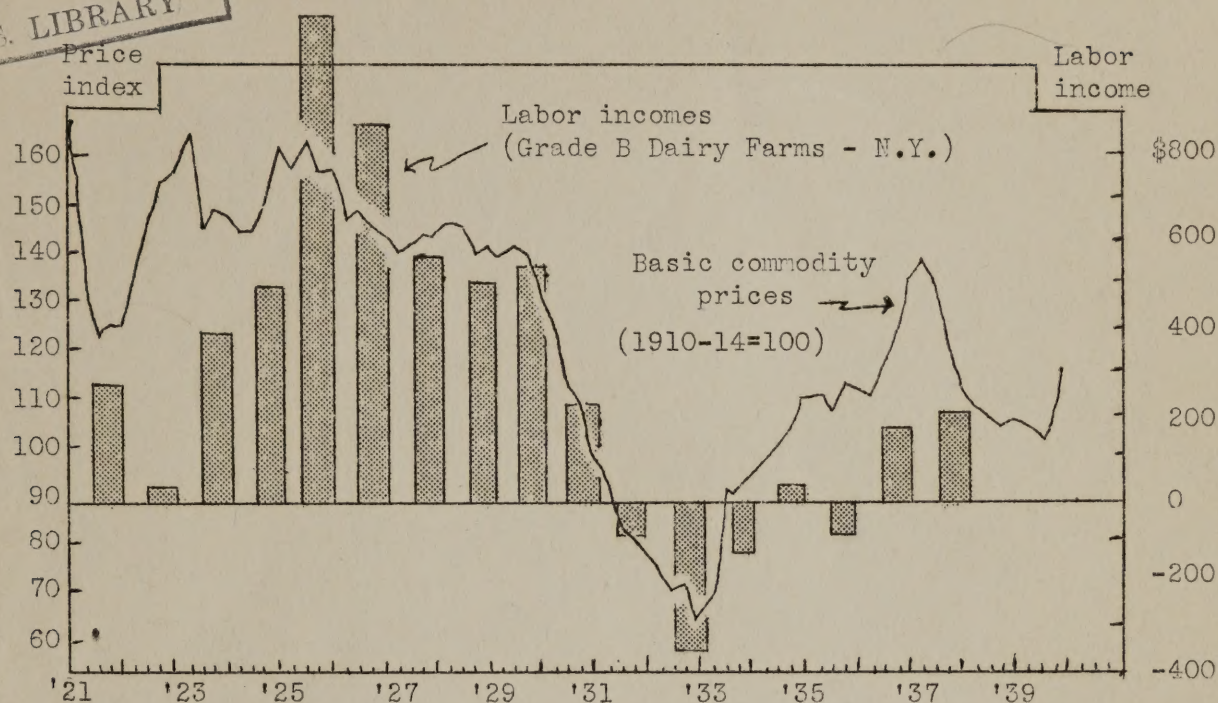


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THE PRICE LEVEL AND LABOR INCOME



In general, attempts to improve income on farms during the past decade, through greater efficiency in production and better management, have been more than offset by opposite effects of a falling price level, with its resulting maladjustments in the economic system.

Various other factors, such as submarginal farm land, competition from new areas of production, and changes in demand for some farm products have contributed to the low incomes of certain individuals and from certain types of farming, but the effect of price disparities has been universal and paramount.

The effect of a long series of unprofitable years is not easily measured, as many of the people operating farms at the end of such a period are not the same as those who operated them at the beginning. Losses written off and new capital brought in are not usually a matter of record.

An appraisal of land resources, condition of buildings and equipment, indebtedness, tax delinquency, and the amount of working capital at the present time will all bear out the fact that the maintenance of a fair standard of living on farms during this period came at the expense of original resources, past accumulations, and prospective future earnings.

Farmers today cannot stand "poor" years as well as they could 15 years ago.

